Institution buildings at Ramavarmapuram. The increase of Rs. 33,200 under Pension and Gratuity is not on account of any abnormal charges under that head. On the other hand, it represents only the actual amount that would be additionally required to meet the recurring demands under this budget head.

15. Under Medical there is expected to be a fall of about Rs. 20,000 on the expenditure side. This is because the entire amount allotted for the starting of Radium treatment in the General Hospital may not be fully utilised in the current year. It is re-provided in the next year's budget.

16. The net result of the variations in expenditure is that the Revised Estimate shows an excess of Rs. 2·58 lakhs over the budgetted figure.

17. Ultimately according to the Revised Estimate calculations the year is expected to close with a deficit of Rs. 2·71 lakhs. Considering the general financial position of the State and its available cash surpluses this deficit of Rs. 2·71 lakhs is not anything noticeable. This is clear from the fact that at the end of this year the surplus of the assets of the State over its liabilities is expected to come up to over Rs. 103 lakhs.

BUDGET ESTIMATES OF 1114.

18. Coming to the most important set of the figures before the House, I mean the Budget Estimate figures of next year, I am glad to announce that the transactions under the several ordinary heads of receipts and expenditure, are sure to close with a large substantial surplus of over Rs. 3 lakhs. To be exact it is expected that the next year will close with a surplus of Rs. 3·40 lakhs.

19. The total expenditure for next year is Rs. 101·47 lakhs which is almost the same as the Revised Estimate for the current year (Rs. 101·35 lakhs). The total revenue anticipated for the next year is Rs. 104·87 lakhs which is in excess of the Revised Estimate figure of the current year by Rs. 6·23 lakhs.

Receipts.

20. The increase in receipts is very largely due to the increase under Customs of over Rs. 10·00 lakhs as compared to the Revised Estimate of the current year. This is because the mineral oils imported from Burma through the Port of Cochin are hereafter to pay customs duty. There are also slight increases in Receipts under Land Revenue, Stamps, Registration and Interest varying between five and seven thousand rupees under each.

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21. Against these increases there will be a reduction under Profits from Capital Outlay to the extent of Rs. 3·34 lakhs. This fall has not to be specially accounted for because the Revised Estimate of the current year under the head was exceptionally high on account of the receipt of Royalty for a portion of the Reclamation grounds from the Harbour Authorities. The fall under Income-tax to the extent of Rs. 35,000 is only a reduction as compared with the Revised Estimate of Rs. 6·6 lakhs for the current year about which I have spoken in detail in an earlier paragraph. The increase of over Rs. 3 lakhs in the Revised Estimate—Receipts—under Income-tax was exceptional as then pointed out and therefore the fall under the head for next year as compared to the Revised Estimate figure needs no explanation. Compared to the Budget Estimate of 1113 the receipt from Income-tax for next year shows an increase of Rs. 2·70 lakhs. This is a substantial increase and is accounted for partially by the natural growth in the income of this Department and partially by the proceeds from the Super-tax which is proposed to be levied from next year onwards. The income from Super-tax alone is expected to come to about one lakh of rupees. As explained in the opening speech of the Hon'ble the President this is an income that would accrue to the Treasury without causing serious inconvenience to the Capital interests of the State. The other variations in the next year's Budget Estimates under Receipts as compared to the Revised Estimates of the current year are not anything substantial so as to call for remarks from me.

22. As I have pointed out earlier the total expenditure for the next year which is Rs. 1,01,46,900 is almost the same as the Revised Estimate expenditure of the current year. The difference between the two is only Rs. 12,100, the next year's budget being in excess of the Revised Estimate by this amount.

Expenditure.

23. The two items of appreciable increases over the Revised Estimate figures of last year are under Medical and Education. Under Medical there is to be an increased expenditure of Rs. 67,800. Of this, Rs. 25,000 is the donation to the anti-tuberculosis fund opened by Her Excellency Lady Linlithgow, Rs. 16,000 is on account of the works in connection with the Radium treatment that have yet to be completed and the rest is due to firstly, the provision for equipping the Hospitals of Ernakulam and Trichur with the necessaries for a Dental Surgery and secondly, increased allowances made under 'Cost of Medicines', 'Bedding and Clothing' and 'Dietary charges'. Under Education there is an increase of Rs. 68,800 as compared

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to the Revised Estimate figures of the current year. Of this Rs. 49,000 is on account of the provision for grants to classes opened in the years 1110 and 1111.

24. Then, under Interest charges there is an increase of Rs. 29,000; so also under Railway there is a rise in the expenditure to the extent of Rs. 25,400. The Estimate for the Railways is based on the figures supplied by the South Indian Railway Administration. As regards Interest charges the increase is because the State has to find funds for the payment of interest on Provident Fund Accounts. Until the beginning of 1113 the Provident Fund Deposits used to be invested separately and apart from the general balances of the State. Early this year on the recommendation of the Special Officer Rao Bahadur S. Subbuswamy Ayyar the Provident Fund investments were merged in the State general balances and therefore naturally the interest charges on account of Provident Fund collections has to be provided in the State Budget. This accounts mainly for the increase under Interest charges next year. Again under Ayurveda there is a similar increase of Rs. 19,300. This is due to the transfer of Panchayat Vydiasalas from the Budget head Panchayats to this Head. Also an additional provision of Rs. 2,000 is made under 'cost of medicines'. The other items of increases in expenditure do not call for any special remarks.

25. Against these increases, under Public Works there is a reduction in expenditure to the extent of Rs. 1·59 lakhs. The reduction is greatly due to the reduction in the Road Maintenance Estimates, the abolition of the Establishment for Barges and Tugs which used to be employed to carry Alwaye water from Ernakulam to Mattancheri and for which there is no use now, and the general reduction in the provision for construction of buildings.

26. The net result of the estimates for the next year, as pointed out already, is that the year is expected to close with a surplus of Rs. 3·4 lakhs.

27. So far we have covered the ordinary revenue side of the budget, both under Receipts and Expenditure. But to have a complete and quite accurate idea of the State Finances it is necessary to note also at least the more important of the features of the other parts of the budget, those dealing with Capital Outlay, Investments and such other items coming under Debt Heads.

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